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PROVIDER SECTOR
Just

FINANCIAL STRENGTH ASSESSMENT

Analysis by **AKG Financial Analytics Ltd**
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AKG



ABOUT THIS FINANCIAL STRENGTH ASSESSMENT

This AKG report and the analysis and ratings contained within it provide assessment of financial strength and associated considerations. Financial Strength is focused on the ability of a company to deliver ongoing operational capability in the interest of its customers and in line with their fairly held expectations. AKG's perspective in the assessment of financial strength is wholly that of a customer of a product or service. From that foundation, this analysis is specifically designed to inform financial advisers and assist in their required understanding of a company's operational financial strength.

Given the underlying customer perspective, the financial strength of companies needs to be focused at an operational level (i.e. the elements and functions of an organisation which operate to specifically deliver and manage a proposition or service to the customer), specifically on the company that is effecting the product or service that a customer is selecting. This is important, because from the customer's perspective it is that company that needs to survive in a form that maintains the requisite operational characteristics to meet their fairly held requirements. And it is thus at this level that the selection needs of the customers' advisers must be met. This contrasts to credit rating, which will be undertaken at group or parent company level where investment or debt placement etc. is made.

Further details on how analysis is undertaken is provided at the end of this report and may also be obtained from AKG.



TABLE OF CONTENTS

Rating & Assessment Commentary.....	3
Ratings.....	3
Summary	3
Commentary.....	4
Company Analysis: Just Retirement Ltd	7
Basic Information.....	7
Business Structure & Operations.....	7
Strategy	9
Key Company Financial Data.....	10
Company Analysis: Partnership Life Assurance Company Ltd	13
Basic Information.....	13
Business Structure & Operations.....	13
Strategy	13
Key Company Financial Data.....	14
Guide	17
Introduction	17
Rating Definitions.....	17



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Rating & Assessment Commentary



RATINGS

Overall Financial Strength



Supporting Ratings

	Service	Image & Strategy	Business Performance
Just Retirement Ltd	★★★★★	★★★★★	★★★★★
Partnership Life Assurance Company Ltd	★★★★★	★★★★★	★★★★★



SUMMARY

- Just Group plc (Just, 'the group') is a specialist UK retirement income group focused on Defined Benefit (DB) de-risking, Guaranteed Income for Life (GfL), lifetime mortgages and care annuities
- Brookfield Wealth Solutions (BWS) completed its acquisition of Just on 1 April 2026. Just is now privately owned and no longer listed. BWS ownership gives Just access to a wider insurance and asset management platform, but post-transaction governance, capital allocation, reporting and regulated entity oversight remain key areas to monitor
- 2025 performance moderated from a strong 2024, reflecting a more competitive DB market and less favourable investment/economic conditions. New business profit and underlying operating profit were lower, and the group moved to an IFRS loss before tax, although in-force earnings remained supportive
- Just deliberately constrained DB volumes to protect pricing discipline in a tighter credit spread environment. This reduced shareholder-funded DB sales, but the group states that business continued to be written at or above its target return on shareholder capital
- Capital remains strong, but headroom reduced. Group Solvency II coverage fell to 179% [2024 pro forma: 204%], and new business strain increased to 2.7% of premium [2024: 1.3%], above the group's sub-2.5% target
- Just remains well positioned in attractive retirement markets, supported by strong service credentials, intermediary reputation, improving retail GfL market share and proposition development across guaranteed income, platform-led decumulation and DB transaction capability
- Just Retirement Ltd (JRL) remains the principal life company. Its SCR coverage reduced to 158% [2024: 178%], reflecting new business funding, property/EVT effects and asset trading/timing variances
- Partnership Life Assurance Company Ltd (PLACL) remains largely in run-off outside Care Plans. Its SCR coverage improved to 194% [2024: 183%], supported by capital actions and the LTM portfolio sale to JRL



COMMENTARY

Financial Strength Ratings

At 31 December 2025, on a Solvency II basis, Just had total assets of £39.2bn [2024: £36.5bn] and excess assets over liabilities of £2.1bn [2024: £2.4bn]. At the same point, the group Solvency II capital coverage ratio was 179% [2024 regulatory basis: 211%; 2024 pro forma basis: 204%]. Eligible own funds reduced to £2,740m [2024: £3,159m], while the SCR increased to £1,531m [2024: £1,494m]. Excess own funds reduced to £1,209m [2024: £1,665m]. The ratio remains comfortably above regulatory requirements, but the reduction is material and reflects investment in new business, adverse investment/economic effects and one-off/non-operating items.

Despite the reduction in 2025 capital coverage, Just has made material progress in recent years in strengthening its capital model and reducing capital intensity. The 2025 outcome does, however, underline the importance of continued pricing discipline, asset origination, capital management and maintaining an appropriate balance between growth and financial resilience.

New business strain increased to 2.7% of premium [2024: 1.3%], above the group's stated annual target of below 2.5%. This reflected a more competitive DB market, tighter credit spreads and reduced ability to increase pricing in line with the capital cost of new business. The 2025 outcome was also above Just's longer-term average strain experience, although management continues to point to average new business strain of c.1.7% over the past six years. Cash generation increased to £130m [2024: £119m], but organic capital generation moved negative after allowing for new business strain, development costs, other items, and a lack of management actions compared with the prior year.

The group paid dividends of £28m in 2025 [2024: £23m], although this is not expected to recur under BWS ownership. The removal of listed shareholder dividend expectations should provide additional capital flexibility, although future capital allocation and any intra-group distributions under the new ownership structure should be monitored.

Group liquidity resources include a £400m committed revolving credit facility. During 2025, access to this facility was broadened so that JRL and PLACL, as well as Just Group plc, can draw under it, subject to a maximum combined facility of £400m. This improves direct liquidity flexibility at regulated entity level.

BWS ownership introduces a potentially positive parental and strategic support factor, particularly through broader investment origination capability, capital resources and insurance sector expertise. However, the practical implications for JRL and PLACL's governance, capital management, risk appetite and reporting remain areas to monitor as the new group structure becomes established.

Just Retirement Ltd

JRL is the group's principal life company and main new business vehicle, writing DB de-risking and individual guaranteed income business. It remains central to the group's capital deployment, earnings generation and operational financial strength profile.

On a Solvency II basis, at 31 December 2025, JRL had excess assets over liabilities of £1,607m [2024: £1,813m]. Eligible own funds to meet the SCR were £2,111m [2024: £2,297m], the SCR was £1,335m [2024: £1,287m], and excess own funds over SCR reduced to £775m [2024: £1,010m]. The SCR coverage ratio reduced to 158% [2024: 178%]. Despite this reduction, JRL remains strongly capitalised.

The reduction in JRL's SCR coverage reflected new business funding, property mark-to-market effects, strengthening of the regulatory Effective Value Test for LTMs, and asset trading/timing variance arising from investment in gilts rather than public credit in the prevailing spread environment. This reinforces the importance of asset origination, LTM/property-linked risk management and disciplined new business growth.

During 2025, JRL repaid the remaining £50m Tier 3 subordinated debt to Just Group plc and also repaid £75m and £100m Tier 2 loans, while entering into a new £225m Tier 2 loan with Just Group plc. These actions form part of ongoing capital structure optimisation.

In November 2025, JRL acquired two LTM portfolios from PLACL for £541m, with consideration paid in corporate credit and cash. The transaction had no group-level financial impact, but it increased JRL's LTM exposure while reducing PLACL's exposure to UK residential property risk.

JRL did not pay dividends in 2025 [2024: nil].

Partnership Life Assurance Company Ltd

PLACL is largely in run-off outside new UK Care Plan business. It remains an important regulated insurance entity within Just, with ongoing relevance from a capital, risk management, policyholder servicing and legacy liability management perspective.

PLACL's SCR coverage ratio increased to 194% at 31 December 2025 [2024: 183%]. The improvement was primarily driven by a lower SCR following the sale of capital-intensive LTM assets and their replacement with corporate bonds and cash, together with business run-off effects and higher interest rates.

PLACL did not pay dividends in 2025 [2024: nil]. In April 2024, PLACL repaid a £50m Restricted Tier 1 loan to Just Group plc, and in October 2025 it repaid a further £100m Tier 2 loan to Just Group plc when first callable. The 2025 repayment is expected to reduce future interest costs and support future capital generation and IFRS profit before tax.

In November 2025, PLACL completed the sale and transfer of two LTM portfolios to JRL for consideration of £541m, paid in corporate bonds and cash. This reduced PLACL's UK residential property exposure and improved the resilience and diversification of the assets backing its gradually running-off annuity liabilities.

PLACL is not the group's primary new business vehicle, but it remains an important component of the group's regulated insurance structure. Its future role under BWS ownership, including whether it remains a specialist run-off and Care Plan entity, should be reviewed as the new ownership structure develops.

Service Rating

Just stresses a customer-focused, service-orientated philosophy and continues to receive strong recognition for service. This remains an important feature of the assessment given the nature of Just's customer base, including annuity, care and later-life customers, many of whom may be older or vulnerable.

The group's service approach is based on continuous improvement in customer experience, staff capability, vulnerability support and plain-English communication. This includes customer experience disciplines covering outcome, effort and emotion in customer interactions; training and coaching for customer-facing teams; customer champion networks focused on areas of vulnerability; enhanced bereavement support; and balanced scorecards which place emphasis on customer outcomes and staff development.

Just's customer-orientated approach appears to have supported alignment with Consumer Duty requirements without requiring significant changes to its core propositions or service model. The group's service credentials remain particularly relevant as the business grows across DB, retail annuities, care, SLI ('Secure Lifetime Income', an on-platform guaranteed income proposition) and broader retirement income propositions.

Just's service profile remains a positive feature of the assessment. The scale and complexity of the business continue to increase, but the group retains an established service culture, strong adviser/intermediary credentials and a clear focus on customer outcomes.

Image & Strategy Rating

Just has a clear and established strategic focus on the UK retirement income market, centred on helping people achieve a better later life. Its core activities remain focused on the 'at' and 'in-retirement' phases, including DB de-risking, GfL, SLI, Care Plans, lifetime mortgages, and related advice and distribution services through HUB Financial Solutions.

The completion of the BWS acquisition on 1 April 2026 is the most significant strategic development for the group. This changes Just from a listed UK insurer into part of a larger international wealth solutions and insurance group. BWS ownership should provide longer-term strategic optionality, access to broader investment expertise and potentially greater capacity to pursue growth opportunities, although it also introduces ownership and governance transition risk.

The main potential strategic benefit is improved access to asset origination and broader investment capability, which could support Just's competitiveness in DB and annuity pricing if suitable risk-adjusted assets can be sourced without weakening capital discipline.

Just's DB strategy remains coherent. The group has built a strong position, particularly in smaller and mid-sized transactions, supported by Beacon and established relationships with employee benefit consultants and trustees. In 2025, DB market conditions became more competitive, with tighter credit spreads and greater insurer competition, and Just deliberately constrained volumes to preserve pricing discipline.

The retail retirement income opportunity has strengthened. The UK GfL market has continued to expand, with Just reporting a 30% increase in UK GfL new business sales to £1.141bn in 2025 and an increase in its estimated market share to 16% [2024: 12%]. This supports the group's positioning in guaranteed income and broader decumulation advice.

Just continues to invest in proposition development, including SLI and other advice led initiatives, with a re-focus on propositions that support its core DB and retail annuities businesses. These developments support the group's image as an innovator in later-life and retirement income solutions, although the commercial development, cost base and profitability of newer propositions should continue to be monitored.

Just retains a clear social purpose and continues to receive external recognition for service and propositions, where at the 2025 Financial Adviser Service Awards the business was awarded:

- Company of the Year
- '5-star' in the 'Pensions & Protection Provider' category, for the 21st consecutive time
- '5-star' in the 'Mortgage Provider' category, for the 16th time

Business Performance Rating

2025 represented a step down in reported group performance from a strong 2024, primarily reflecting lower new business economics and adverse investment/economic effects rather than deterioration in the underlying franchise. Group shareholder-funded Retirement Income sales reduced by 18% to £4.3bn [2024: £5.3bn], new business profit reduced by 46% to £249m [2024: £460m], and underlying operating profit reduced by 39% to £305m [2024: £504m]. New business margin reduced to 5.7% [2024: 8.7%].

The main driver of the reduced performance was the DB market. Increased competition, tighter credit spreads and business mix led Just to constrain volumes in order to maintain pricing discipline. JRL DB sales reduced to £3,071m [2024: £4,275m], while no DB Partner funded reinsurance premium was reported in 2025 [2024: £1,101m]. The 2024 DB Partner transaction remains a relevant strategic proof point for the asset-light model, but 2025 should not be characterised as a year of continued DB Partner growth.

Retail performance was more positive. JRL GfL sales increased to £1,141m [2024: £875m], supporting the group's broader positioning around guaranteed income and retirement decumulation. This provided some offset to the weaker DB outcome and demonstrated continued demand for Just's individual annuity proposition.

The group IFRS result moved to a loss before tax of £118m in 2025 [2024: £113m profit before tax]. This reflected lower new business profit, weaker investment/economic movements, strategic expenditure and the deferral of profit into the Contractual Service Margin (CSM), despite continued contribution from the in-force book. The CSM reserve increased to £2,566m at 31 December 2025 [2024: £2,328m], with £238m of profit deferred into the CSM during the year. Strategic expenditure included upfront investment in the now discontinued D2C consumer-facing initiative, other retail-related propositions and one-off costs associated with the BWS offer.

JRL reported underlying operating profit of £295m in 2025 [2024: £492m] and IFRS profit before tax of £20m [2024: £102m]. New business profit reduced to £242m [2024: £456m], while in-force operating profit increased to £195m [2024: £178m]. The result therefore reflects weaker new business economics rather than deterioration in the in-force book.

PLACL reported an IFRS loss before tax of £71m in 2025 [2024: £38m profit], mainly due to the net investment result moving to £(51)m [2024: £46m positive]. This was driven by fair value movements following the disposal of high-yielding LTM portfolios and replacement with lower-yielding corporate bonds and cash, together with unhedged movements in inflation and interest rates.

Business Performance remains supported by Just's market position, in-force earnings contribution, retail GfL growth and continued capital strength. However, the weaker 2025 new business result, lower DB margins, higher new business strain and reduced Group/JRL solvency coverage require continued emphasis on disciplined execution and capital management under BWS ownership.

Company Analysis: Just Retirement Ltd



BASIC INFORMATION

Company and Group Background

JRL is the principal UK life insurance company within Just. The group specialises in retirement income solutions, with core activities across DB de-risking, GfL, SLI, Care Plans, lifetime mortgages, and related advice and distribution services. Its operations are concentrated in the UK, with a smaller annuity business in South Africa. JRL remains the group's main new business vehicle, accounting for 97% of Group Retirement Income sales, shareholder-funded, in 2025.

Just was formed in 2016 through the merger of Just Retirement Group plc and Partnership Assurance Group plc, bringing together two specialist later-life and retirement income businesses. The group now serves over 700,000 customers and operates through a number of principal subsidiaries, including JRL, PLACL, HUB Financial Solutions Ltd, Just Retirement Money Ltd and Just Retirement Management Services Ltd.

On 1 April 2026, BWS completed its acquisition of Just Group plc by way of a Court-sanctioned scheme of arrangement. The transaction followed a recommended cash offer valuing Just at approximately £2.4bn, with shareholders receiving 220p per share. As a result, Just is now owned by BWS Holdings Ltd, a wholly owned subsidiary of Brookfield Wealth Solutions Ltd, and is no longer listed on the London Stock Exchange.

BWS is part of the wider Brookfield group and operates a wealth solutions and insurance business focused on retirement services, wealth protection products and capital solutions. BWS had launched Blumont Annuity Company UK Ltd as its UK insurance operation, and has indicated that Blumont and Just are expected to operate as a single consolidated insurance group under the Just brand. The practical implications for JRL's governance, capital management, reporting and longer-term strategic priorities should be monitored as the new ownership structure becomes established.

The strategic rationale is particularly relevant to Just's ability to access wider asset origination capability and potentially support growth in UK annuity and pension risk transfer markets, subject to continued pricing and capital discipline.

JRL was established in 2004 and became part of the listed Just Retirement Group before the 2016 merger with Partnership Assurance. Today, JRL writes the group's principal new business in DB de-risking and individual guaranteed income, and remains central to the group's capital deployment, growth and operational financial strength profile.

Senior Management Team

Following completion of the BWS transaction, Just announced changes to the Just Group plc Board, including the appointment of Sir Nigel Wilson as Independent Chair. The previous Just Group plc directors stepped down and new BWS-appointed directors joined the Board.

Legal entity Board and senior management arrangements for JRL and PLACL should be reviewed as part of the participatory assessment process, as the publicly announced changes relate primarily to the group-level Board rather than the full management structure of the regulated insurance entities.



BUSINESS STRUCTURE & OPERATIONS

Governance and Risk

Just's system of governance applies across its UK regulated subsidiaries, including JRL and PLACL. The Group Board focuses on strategic, policy and governance matters, and delegates oversight of specific activities to Board Committees. The Boards of JRL and PLACL also delegate specific matters to their own Audit Committees and Investment Committees, reflecting the importance of regulated entity-level oversight within the wider group structure.

Governance of risk is embedded through a three lines of defence model. Business operations form the first line and are responsible for day-to-day risk management and operation of controls. Oversight functions, including Risk Management and Regulatory Compliance,

form the second line and support the Board in setting risk appetite and defining risk and compliance policy. Group Internal Audit forms the third line, providing independent assurance over business operations and the effectiveness of oversight.

The group's risk management framework is enterprise-wide and is designed to align business strategy with financial and non-financial risk exposures, capital allocation and sustainable growth. Risk management is embedded through ongoing risk identification, measurement, management, monitoring and reporting, with residual risk and risk appetite positions reported to relevant committees. The Own Risk and Solvency Assessment remains a key part of the business cycle.

The primary risks to which Just is exposed continue to arise through JRL and PLACL, and include underwriting, market, credit, liquidity, operational/conduct and strategic/regulatory change risks. In 2025, the most relevant areas for monitoring are DB pricing and competition, higher new business strain, LTM and property-linked exposures, ground rent reform, and ownership transition risk following the BWS acquisition.

Interest rate and inflation exposures are substantially hedged, while retained risk exposures include credit default and no-negative-equity guarantee risk attaching to lifetime mortgage assets. Solvency sensitivity remains most notable to property and credit stresses, with a 10% property value fall reducing the Group Solvency II ratio from 179% to 165%, and a 10% credit migration stress reducing it to 172%. This supports continued focus on credit quality, LTM/property-linked exposures and asset portfolio management.

The group operates a full internal model for JRL, PLACL and group solvency requirements. The internal model includes all quantifiable risks to which the group and its regulated insurance entities are materially exposed, with risks aggregated after allowing for diversification. Internal model governance is supported by the Internal Model Technical Forum and Model Risk Governance Committee, with second-line validation and oversight by the Group Risk and Compliance Committee.

JRL and PLACL participated in the PRA's 2025 Life Insurance Stress Test. The published firm-level core scenario results showed all participating firms, including JRL and PLACL, passing the test. LIST outcomes are expected to inform future regulatory policy and supervisory activity, and therefore remain relevant to the forward-looking risk assessment.

Following completion of the BWS transaction, the group's ownership and Board context has changed materially. This does not in itself indicate any weakening of governance, but post-transaction governance arrangements, regulated entity oversight, risk appetite, capital allocation and reporting practices are expected to be reviewed as the new group structure becomes established. Furthermore, in connection with the acquisition, in April 2026, Just Group acquired 100% of BWS's existing UK insurance business Blumont Annuity Company UK Ltd, such that Blumont UK and the Just Group now operate as a single, consolidated insurance group.

Technology and Administration

Just regards service quality, proposition flexibility and operational efficiency as key factors for selection in its chosen markets. Technology remains central to this approach, with the group continuing to invest in digital capability, process efficiency and scalable administration to support growth across DB, retail annuities, later-life propositions and advice/distribution services.

The group's operating model combines in-house capability with selective outsourcing. This is particularly relevant given the scale and specialist nature of its insurance liabilities, investment portfolio and administration requirements. Principal outsourced activities include investment management activities, DB buy-in/buy-out policy administration, administration of certain post-completion PLACL policies, and IT data centre services.

The current outsourcing model includes Aptia for DB policy administration, Capita Hartshead for PLACL annuity administration, and Direct Group Ltd for PLACL life protection administration. These arrangements make outsourcing oversight, resilience, supplier performance and customer outcome monitoring important ongoing considerations.

Following completion of the acquisition on 1 April 2026, Brookfield Asset Management (BAM) and the Just Group insurance subsidiaries have entered into non-discretionary investment management agreements. BAM is providing a full suite of services relating to the Just Group's investment portfolio, including investment management, asset allocation and portfolio optimisation, direct origination and investment structuring, as well as various related management services. In sourcing investment opportunities for Just Group, BAM takes into consideration the unique characteristics of its business, including the liabilities type, overall risk tolerance and the macroeconomic environment in which Just Group operates. All investment activity and decisions, remain subject to the direction and prior approval of the Just Group's senior management and oversight by the Board.

The continued growth of the DB business, wider use of Beacon, development of retail decumulation propositions and ownership transition under BWVS make operational scalability and control particularly important. The group's technology and administration model appears well developed and has supported a positive service reputation.

In South Africa, annuity administration, investment management and most underwriting activity are outsourced to local third parties. This remains a relatively small part of the overall group, and continues to be captured within group-level operational risk and outsourcing oversight.



STRATEGY

Product and Distribution Strategy

Just is a specialist retirement income group focused on markets where it can use underwriting expertise, customer insight, technology and investment capability to create differentiated propositions. Its core activities are centred on the 'at' and 'in-retirement' phases of the customer journey.

The group's principal areas of strategic focus are UK Retail, including retirement income, lifetime mortgages and long-term care; UK DB de-risking; HUB Financial Solutions, which provides advice, guidance and distribution services; and a smaller international annuity operation in South Africa. JRL remains the group's principal new business vehicle, writing the majority of shareholder-funded retirement income business through DB de-risking and individual guaranteed income.

Distribution remains primarily adviser and intermediary-led, but the group has also developed a broader range of institutional, partnership and B2B2C channels. These include relationships with other life companies, pension schemes, employers, aggregators and corporate clients, together with white-label and outsourced advice, guidance, software and customer service capabilities through HUB Financial Solutions.

In retail retirement income, Just continues to benefit from renewed demand for guaranteed income. GIFL is Just's traditional off-platform pension annuity, converting pension savings into a guaranteed income for life. SLI is an on-platform guaranteed income-producing asset held within a trust-based personal pension, designed to be blended with drawdown assets so advisers can secure part of a client's income while retaining wider portfolio flexibility.

The group has continued to develop propositions designed to sit alongside adviser-led retirement planning, including SLI, Fixed Term Investment and Destination Retirement. These new propositions provide another route to widen adviser access, and demonstrate the group's broader decumulation approach, combining model portfolio exposure with the option of secured lifetime income. Examples include strategic partnerships with Invesco (launched in 2024) and Fundment (October 2025).

These developments reflect progress made over the last 3 years as Just invested to embed SLI into the adviser ecosystem. In line with the FCA's Thematic Review on Retirement Income advice, helping advisers consider the use of guaranteed income within their tools and services has been a focus. As a result of this, Just SLI is now integrated within a number of cash flow modellers and risk profilers within the adviser business. These include Cashcalc, EV Pro, Timeline, FinCalc and Oxford Risk.

In October 2025, Just expanded its investment solutions capability and launched Fixed Term Investment (FTI). Unlike annuities or market-exposed funds, FTI offers guaranteed returns over a fixed term while maintaining control over capital and withdrawal timing. FTI can be purchased from the age of 40 onwards with uncrystallised funds. Just expects financial advisers to use FTI to simplify pension planning and optimise client portfolios. Key differentiators of the solution include:

- **Guaranteed fixed-term returns:** Investors receive a known outcome without market fluctuations. Ensures structured planning for future withdrawals, reinvestment, or legacy planning
- **On-platform investment:** No need for pension transfers, ensuring immediate investment access and seamless integration within SIPP
- **Tax efficiency:** Income is paid gross into the SIPP cash account, allowing for strategic tax planning and reinvestment options
- **Flexible allocation:** Investors can allocate part of their SIPP to FTI while retaining other assets for liquidity or growth

HUB Financial Solutions remains an important distribution and capability component for the group. It provides retirement income services, equity release advice, software, consultancy and customer support services for a range of audiences, including corporate clients and pension scheme members. Destination Retirement is intended to help address the advice gap for customers with more modest pension savings, although newer digital advice and guidance propositions should continue to be assessed for scale, commercial contribution and customer outcome delivery.

In DB de-risking, Just has built a strong position, particularly in smaller and mid-sized transactions. Beacon, Just's bulk quotation and price monitoring platform, supports speed, consistency and execution certainty, and remains an important source of competitive advantage. In 2025, JRL completed 130 DB transactions [2024: 129], but shareholder-funded DB sales reduced by 28% to £3,071m [2024: £4,275m] as the company deliberately constrained sales in response to increased competition and tighter credit spreads.

Lifetime mortgages continue to form part of the investment strategy used to back retirement income liabilities, although residential lifetime mortgages are expected to be an important but reducing component of the portfolio over time. The 2025 acquisition by JRL of two LTM portfolios from PLACL increased JRL's exposure while reducing PLACL's UK residential property risk.

Following closure of the acquisition, in April 2026, BWS announced that it intends to work with the Just Group leadership team to further evaluate Just Group's existing product lines and organisational structure with a view to further enhancing the company's competitive strengths and aligning with BWS's long-term strategic objectives. Any such measures would reflect BWS's and Just's re-focus on building Just's core insurance business, pursuing disciplined growth and operational excellence within the UK retirement sector.

Overall, Just's product and distribution strategy remains coherent and differentiated. The group benefits from strong positions in DB de-risking and individual guaranteed income, established adviser and intermediary relationships, and broader proposition development through SLI, HUB and Destination Retirement. BWS ownership should strengthen the strategic platform through broader investment and asset origination capability, but the 2025 results underline the importance of disciplined growth, profitable execution and careful capital deployment.



KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 31 December 2025

Assets

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Fixed interest	14,320	17,627	20,063
Equities	0	0	0
Collectives	1,026	1,380	1,112
Property	0	0	0
Linked	0	0	0
Derivatives	2,253	2,630	2,891
Loans and mortgages	7,224	7,306	8,211
Reinsurance recoverables	283	1,442	1,495
Cash	401	682	612
Other	942	1,231	936
Total Assets	26,449	32,297	35,319

Liabilities

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Technical provisions - non-life	0	0	0
Technical provisions - life	18,432	22,234	26,019
Other	6,160	8,250	7,694
Total Liabilities	24,592	30,484	33,713
Excess of assets over liabilities	1,857	1,813	1,607

JRL's total assets increased by 9% in 2025 to £35.3bn [2024: £32.3bn], while total liabilities increased by 11% to £33.7bn [2024: £30.5bn]. Excess assets over liabilities reduced by £0.2bn to £1.6bn [2024: £1.8bn]. The movement reflects continued balance sheet growth from new business, partly offset by weaker capital and retained profit effects.

JRL's main asset classes remain fixed interest and loans/mortgages. At 31 December 2025, fixed interest assets were £20.1bn, representing c.57% of total assets, while loans and mortgages were £8.2bn, representing c.23%. The loans and mortgages balance increased following both new internally funded LTM origination and the £0.5bn LTM portfolio acquisition from PLACL.

At 31 December 2025, on a Solvency II basis, JRL and PLACL had excess assets of £1.6bn and £0.3bn respectively [2024: £1.8bn and £0.4bn respectively].

Life Technical Provisions

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Insurance with profit participation	0	0	0
Index-linked and unit-linked insurance	0	0	0
Life annuities	18,432	22,234	26,019
Non-life annuities	0	0	0
Other life insurance	0	0	0
Health insurance	0	0	0
Total life and health technical provisions	18,432	22,234	26,019

Life Expenses

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Insurance with profit participation	0	0	0
Index-linked and unit-linked insurance	0	0	0
Life annuities	224	233	189
Non-life annuities	0	0	0
Other life insurance	0	0	0
Health insurance	0	0	0
Other expenses	38	0	0
Total life and health expenses	261	233	189

JRL has one line of business under Solvency II, Life annuities, in which all of its principal products are reported.

Solvency Capital Requirement (SCR)

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Market risk	1,388	1,398	1,394
Counterparty default risk	15	20	53
Life underwriting risk	573	601	779
Health underwriting risk	0	0	0
Non-life underwriting risk	0	0	0
Diversification	(548)	(542)	(639)
Intangible asset risk	0	0	0
Operational risk	154	193	193
Capital add-ons already set	0	0	0
Other items	(367)	(383)	(445)
Solvency capital requirement	1,214	1,287	1,335

Eligible Own Funds

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Tier 1 unrestricted	1,607	1,563	1,333
Tier 1 restricted	250	250	250
Tier 2	411	434	504
Tier 3	49	51	24
Eligible own funds to meet SCR	2,316	2,297	2,111
Excess of own funds over SCR	1,102	1,010	775
SCR coverage ratio (%)	191.0	178.4	158.0

JRL calculates its Solvency II capital requirement using a full internal model. JRL's SCR coverage ratio decreased to 158% at 31 December 2025 [2024: 178%]. Eligible own funds to meet SCR reduced to £2.1bn [2024: £2.3bn], while the SCR was broadly unchanged at £1.3bn [2024: £1.3bn], leaving excess own funds over SCR of £0.8bn [2024: £1.0bn].

The reduction in coverage reflected the effect of funding new business from cash generation, property mark-to-market effects, strengthening of the regulatory Effective Value Test for LTMs, and asset trading/timing variance arising from investing in gilts rather than public credit in the prevailing spread environment.

JRL has approval to apply the matching adjustment and TMTP in its calculation of technical provisions. At 31 December 2025, TMTP was £0.2bn [2024: £0.3bn], with the reduction primarily due to run-off over the remaining lifetime of the TMTP.

Gross Life Premiums Written By Line of Business

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Insurance with profit participation	0	0	0
Index-linked and unit-linked insurance	0	0	0
Life annuities	4,137	6,252	4,213
Non-life annuities	0	0	0
Other life insurance	0	0	0
Health insurance	0	0	0
Total gross life premiums written	4,137	6,252	4,213

Gross Life Premiums Written By Country

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Home country	4,137	6,252	4,213
Country 1	0	0	0
Country 2	0	0	0
Country 3	0	0	0
Country 4	0	0	0
Country 5	0	0	0
Other countries	0	0	0
Total gross life premiums written	4,137	6,252	4,213

JRL's gross written premiums reduced to £4.2bn in 2025 [2024: £6.3bn], reflecting lower shareholder-funded DB volumes and the absence of 2025 DB Partner funded reinsurance premium.

Profit

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Profit (loss) before taxation	171	102	20
Taxation	(38)	(30)	(8)
Profit (loss) after taxation	132	72	12
Other comprehensive income	0	(2)	0
Dividends	0	0	0
Retained profit (loss)	132	70	12

Life Business Flows

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Net life premiums written	4,105	6,217	3,152
Net life claims incurred	(963)	(1,149)	(306)
Net flow of business	3,142	5,069	2,846

On an underlying operating profit basis, JRL reported a 40% reduction to £295m at 31 December 2025 [2024: £492m]. IFRS profit before tax reduced to £20m [2024: £102m]. The reduction primarily reflected lower new business profit and negative investment/economic movements, partly offset by higher in-force operating profit.

No dividend was paid in 2025 [2024: nil].

JRL's net premiums decreased to £3.2bn [2024: £6.2bn]. Net claims incurred were £0.3bn [2024: £1.1bn], resulting in a reduced net inflow of £2.8bn [2024: £5.1bn].

Company Analysis: Partnership Life Assurance Company Ltd



BASIC INFORMATION

Company and Group Background

See JRL for wider group and parental context.

PLACL is one of the two UK regulated life insurance companies within Just, alongside JRL. PLACL became part of the group following the 2016 merger of Just Retirement Group plc and Partnership Assurance Group plc. Historically, the Partnership business specialised in enhanced annuities and later-life insurance solutions, drawing on underwriting expertise for customers with medical conditions or lifestyle factors affecting life expectancy.

PLACL is now largely a run-off life company, with its principal activities being the management of existing annuity and life assurance liabilities and the writing of new UK Care Plan business. Care Plans provide a guaranteed income to help meet the cost of care, typically paid directly to a registered care provider, and remain the main source of new business written by PLACL.

Although PLACL is not the group's principal new business vehicle, it remains an important regulated insurance entity within Just. In 2025, its Care Plan premiums increased to £74.5m [2024: £57.8m], the highest level since 2016, while the company also undertook material capital and asset portfolio actions, including the repayment of a £100m Tier 2 loan to Just Group plc and the sale of two LTM portfolios to JRL.

PLACL's role within the group is best characterised as a specialist legacy and care annuity business, with ongoing importance from a capital, risk management and customer servicing perspective, rather than as a primary driver of group growth.

Senior Management Team

See JRL.



BUSINESS STRUCTURE & OPERATIONS

Governance and Risk

See JRL.

For PLACL specifically, the key 2025 risk developments were the sale of two LTM portfolios to JRL, the repayment of £100m Tier 2 debt, and the resulting improvement in Solvency II capital coverage to 194%. The LTM portfolio sale reduced PLACL's exposure to UK residential property risk and improved the diversification of assets backing its gradually running-off annuity liabilities.

Technology and Administration

See JRL.

PLACL's administration and servicing model remains particularly important given the nature of its customer base, including Care Plan customers and policyholders who may be vulnerable. The company's largely run-off profile also places emphasis on efficient in-force administration, supplier oversight, policyholder communication and continuity of service.



STRATEGY

Product and Distribution Strategy

See JRL.

PLACL is largely in run-off outside new Care Plan business. Its strategic role within Just is therefore different from JRL's: it is not the group's principal growth engine, but remains important from a regulated entity, capital, customer servicing and legacy liability management perspective.

Care Plans remain the principal area of new business for PLACL. These products provide guaranteed income to help meet care costs, typically paid directly to a registered care provider. The market remains influenced by demographic demand, care cost inflation and uncertainty over long-term government policy for adult social care funding.

In 2025, Care Plan new business premiums increased by 29% to £74.5m [2024: £57.8m], the highest level since 2016. This suggests renewed market activity, although the proposition remains relatively small in group context and dependent on customer awareness, adviser engagement and the wider social care funding environment.

The 2025 LTM portfolio sale to JRL is strategically important for PLACL. It reduced exposure to UK residential property risk and improved the resilience and diversification of the assets backing PLACL's gradually running-off annuity liabilities, as part of wider capital and balance sheet alignment within the group.

Overall, PLACL should be viewed as a specialist legacy and care annuity business within Just, with a strengthened Solvency II capital coverage ratio and a more conservative asset risk profile following the 2025 portfolio actions. Its future strategic relevance is likely to depend on the scale and profitability of Care Plan new business, the efficiency of in-force management and the way it is positioned within the post-BWS group structure.



KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 31 December 2025

Assets

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Fixed interest	1,958	1,770	2,232
Equities	0	0	0
Collectives	346	336	194
Property	0	0	0
Linked	0	0	0
Derivatives	110	126	107
Loans and mortgages	1,310	1,204	651
Reinsurance recoverables	289	265	224
Cash	89	51	89
Other	134	162	178
Total Assets	4,236	3,914	3,675

Liabilities

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Technical provisions - non-life	0	0	0
Technical provisions - life	3,232	2,907	2,822
Other	579	634	516
Total Liabilities	3,811	3,541	3,338
Excess of assets over liabilities	425	374	337

PLACL's total assets reduced to £3.7bn at 31 December 2025 [2024: £3.9bn], while total liabilities reduced to £3.3bn [2024: £3.5bn]. Excess assets over liabilities reduced to £0.3bn [2024: £0.4bn]. The reduction in assets partly reflects the sale of LTM portfolios to JRL and the continuing run-off profile of the business.

The main asset class is now fixed interest, which increased to £2.2bn at 31 December 2025 and represented c.61% of total assets. Loans and mortgages reduced to £0.7bn, c.18% of total assets, following the 2025 LTM portfolio sale to JRL. This represents a material reduction in PLACL's property-linked exposure.

Life Technical Provisions

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Insurance with profit participation	0	0	0
Index-linked and unit-linked insurance	0	0	0
Life annuities	3,232	2,907	2,822
Non-life annuities	0	0	0
Other life insurance	0	0	0
Health insurance	0	0	0
Total life and health technical provisions	3,232	2,907	2,822

Life Expenses

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Insurance with profit participation	0	0	0
Index-linked and unit-linked insurance	0	0	0
Life annuities	13	14	13
Non-life annuities	0	0	0
Other life insurance	0	0	0
Health insurance	0	0	0
Other expenses	2	1	0
Total life and health expenses	15	16	13

PLACL has one line of business under Solvency II, Life annuities. Life technical provisions reduced to £2.8bn [2024: £2.9bn], reflecting the run-off profile of the business.

Solvency Capital Requirement (SCR)

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Market risk	243	215	164
Counterparty default risk	5	1	0
Life underwriting risk	145	131	115
Health underwriting risk	0	0	0
Non-life underwriting risk	0	0	0
Diversification	(79)	(127)	(113)
Intangible asset risk	0	0	0
Operational risk	15	50	50
Capital add-ons already set	0	0	0
Other items	0	0	0
Solvency capital requirement	329	270	215

Eligible Own Funds

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Tier 1 unrestricted	358	359	311
Tier 1 restricted	50	0	0
Tier 2	164	135	92
Tier 3	0	0	15
Eligible own funds to meet SCR	572	494	418
Excess of own funds over SCR	243	224	203
SCR coverage ratio (%)	174.0	183.0	194.0

PLACL calculates its Solvency II capital requirement using an internal model, following PRA approval in 2024. The SCR coverage ratio increased to 194% at 31 December 2025 [2024: 183%]. The SCR reduced to £0.2bn [2024: £0.3bn], and eligible own funds reduced to £0.4bn [2024: £0.5bn], resulting in excess own funds of £0.2bn [2024: £0.2bn].

The improvement in the SCR coverage ratio was driven by a lower SCR following the LTM portfolio sale and business run-off effects. The ratio improved despite the £0.1bn Tier 2 loan repayment, as the capital impact of the repayment was offset by the release of capital restrictions.

The TMTP was recalculated at 31 December 2025 and amounted to £128m [2024: £146m]. PLACL did not pay a dividend in 2025 [2024: nil].

Gross Life Premiums Written By Line of Business

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Insurance with profit participation	0	0	0
Index-linked and unit-linked insurance	0	0	0
Life annuities	48	58	75
Non-life annuities	0	0	0
Other life insurance	0	0	0
Health insurance	0	0	0
Total gross life premiums written	48	58	75

Gross Life Premiums Written By Country

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Home country	48	58	75
Country 1	0	0	0
Country 2	0	0	0
Country 3	0	0	0
Country 4	0	0	0
Country 5	0	0	0
Other countries	0	0	0
Total gross life premiums written	48	58	75

Despite operating largely in run-off outside new Care Plan business, PLACL saw Care new business premiums increase by 29% to £74.5m in 2025 [2024: £57.8m], the highest level of sales since 2016. Management links this to the final adult social care taskforce report not being expected until 2028, reducing the likelihood of near-term reform clarity.

Profit

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Profit (loss) before taxation	32	38	(71)
Taxation	(8)	(10)	17
Profit (loss) after taxation	24	28	(54)
Other comprehensive income	0	0	0
Dividends	0	0	0
Retained profit (loss)	24	28	(54)

Life Business Flows

	Dec 23 £m	Dec 24 £m	Dec 25 £m
Net life premiums written	47	57	(92)
Net life claims incurred	(297)	(310)	(146)
Net flow of business	(250)	(253)	(239)

PLACL reported an IFRS loss before tax of £71m in 2025 [2024: £38m profit]. The year-on-year deterioration mainly reflected the net investment result moving to a negative £51m [2024: £46m positive], driven by fair value movements following the disposal of high-yielding LTM portfolios and replacement with lower-yielding corporate bonds and cash, together with unhedged movements in inflation and interest rates.

No dividend was paid in 2025 [2024: nil].

Net earned premiums reduced to negative £92.4m [2024: £57.0m positive], while net claims incurred were £146.5m [2024: £310.1m]. This resulted in a reduced net outflow of £238.9m [2024: £253.2m].

Guide



INTRODUCTION

For over 30 years, AKG has assessed the financial strength of financial services firms from the perspective of financial advisers and their clients. Assessments focus on the operational entity responsible for delivering the relevant product or service, reflecting the requirement for that company to remain viable in order to meet customers' fairly held expectations.

Assessments are undertaken on a sector basis, comparing companies within relevant peer groups to support adviser selection between competing propositions. AKG's approach is underpinned by a balanced scorecard of financial, operational and strategic measures, drawing on public information and, where applicable, direct company engagement.

This is a participatory assessment.



RATING DEFINITIONS

Overall Financial Strength Rating

The Overall Financial Strength Rating provides an indication of a company's ability to deliver sustained operational provision of its products or services, assessed from the perspective of financial advisers and their clients. The rating reflects the company's business mix and relative position within its sector, taking into account relevant financial, operational, management and strategic factors, including parental strength and the likely attitude towards supporting the company.

Rating Scale	A	B+	B	B-	C	D	■
	Superior	Very Strong	Strong	Effective	Challenged	Very Challenged	Not applicable

Supporting Ratings

The Service Rating assesses the quality of service provided by the organisation to the intermediary market, taking into account service performance, external and internal benchmarking, investment in service capability and feedback from intermediaries.

The Image & Strategy Rating assesses how effectively the organisation positions and distributes its products, and the extent to which its strategy is coherent, sustainable and aligned with its operating environment and target markets.

The Business Performance Rating assesses how the organisation has performed relative to sector peers, based on recent financial and operational outcomes, market positioning and relevant external developments.

All ratings utilise the following scale:

Rating Scale	★★★★★	★★★★	★★★	★★	★	■
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

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